



Financial Aid Rulemaking

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Background

- **In 2012, the Commission merged with State Student Aid Commission of Indiana (SSACI) and took over the administration of state financial aid.**
- **The Commission inherited the statutes and administrative rules governing state financial aid.**
- **SSACI's administrative rules were prescriptive.**



Background

- **At the time of the merger, SSACI's rules were set to expire at the end of 2013.**
- **Executive Order 13-03 placed a moratorium on new rules.**
- **The Commission faced a decision to renew existing rules or let the rules lapse.**



Background

- **The Commission allowed the inherited rules expire to provide time to evaluate the program administration and enact credit completion.**
- **The Commission has operated under the authority of IC 21-18.5.**
- **At the beginning of 2015-2016 school year, the Commission staff began preparing new administrative rules.**



Proposed Rules Overview

- **The proposed rules outline:**
 - How the Commission shall administer aid
 - How students become and maintain eligibility
 - How institutions elect to participate
- **Incorporate the suggestions of the Attorney General's Office.**
- **Flexible enough to allow the Commission to react to the needs of students and institutions.**



Why Adopt Rules Now?

- **Timing:**
 - New ScholarTrack
 - Beginning of Prior-Prior FAFSA
 - New Financial Aid Manual
- **Administrative rules help communicate the expectations for students, families, institutional partners and the Commission.**
- **21st Century Scholar's statute requires the Commission to outline how new institutions may participate.**



Adoption Timeline

- **Request exemption from regulatory moratorium from OMB/SBA**
 - *Requested and waiting for response*
- **Publish notice of intent to adopt rule in the Indiana Register**
 - *Must be published for 28 days*
- **Publish proposed rule in Indiana Register**
 - *Must be published for at least 21 days*



Adoption Timeline

- **Hold hearing and collect public feedback**
 - *No timeline to hold the hearing*
- **Review of proposed rule by Attorney General's Office**
 - *45 days to review*
- **Review of proposed rule by the Governor's Office**
 - *Up to 30 days to review*
- **Rule goes into effect**
 - *30 days after submission to publisher*



21st Century Scholars Income Verification

Income Verification Process

- **In 2013, the legislature required the Commission to determine whether 21st Century Scholars continued to have financial need before releasing the scholarship.**
- **The Commission evaluated the existing income verification process at the time of application and found significant improvements could be made.**
- **The new process will start with the class of 2020.**



Income Verification Process

- **A new MOU with the Indiana Department of Revenue allows the Commission to compare income listed on the 21st Century Scholars Application and tax income.**
- **Only students showing as over income or with incorrect parent SSN verified.**
- **The process is completed online using the existing appeals process.**



Income Verification Process

- **In June, applicants will be notified they are potentially ineligible.**
- **After June, new applicants will be notified at the end of each month.**
- **Applicants are given the opportunity to provide their tax information before they are removed from the program.**

